

Senate Bill No. 1427

CHAPTER 527

An act to add Sections 2929.4 and 2929.45 to the Civil Code, relating to foreclosures.

[Approved by Governor September 29, 2010. Filed with
Secretary of State September 29, 2010.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, Price. Foreclosures: property maintenance.

Existing law, until January 1, 2013, requires a legal owner to maintain vacant residential property purchased at a foreclosure sale, or acquired by that owner through foreclosure under a mortgage or deed of trust. Existing law authorizes a governmental entity to impose civil fines and penalties for failure to maintain that property of up to \$1,000 per day per violation.

This bill would require a governmental entity, prior to imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, that is purchased at a foreclosure sale, or that is acquired through foreclosure, to provide the owner of that property with a notice of the violation and an opportunity to correct the violation. This notice requirement would not apply if the governmental entity determines that a specific condition of the property threatens public health or safety. The bill would further provide that the costs of nuisance abatement measures taken by a governmental entity with regard to property that is subject to a notice of default, that is purchased at a foreclosure sale, or acquired through foreclosure, shall not exceed the actual and reasonable costs of nuisance abatement. This bill would also prohibit a governmental entity from imposing an assessment or lien for the costs of nuisance abatement prior to the adoption of those costs by the elected officials of that governmental entity at a public hearing.

The people of the State of California do enact as follows:

SECTION 1. Section 2929.4 is added to the Civil Code, to read:

2929.4. (a) Prior to imposing a fine or penalty for failure to maintain a vacant property that is subject to a notice of default, that is purchased at a foreclosure sale, or that is acquired through foreclosure under a mortgage or deed of trust, a governmental entity shall provide the owner of that property with a notice of the violation and an opportunity to correct that violation.

(b) This section shall not apply if the governmental entity determines that a specific condition of the property threatens public health or safety.

SEC. 2. Section 2929.45 is added to the Civil Code, to read:

2929.45. (a) An assessment or lien to recover the costs of nuisance abatement measures taken by a governmental entity with regard to property that is subject to a notice of default, that is purchased at a foreclosure sale, or that is acquired through foreclosure under a mortgage or deed of trust, shall not exceed the actual and reasonable costs of nuisance abatement.

(b) A governmental entity shall not impose an assessment or lien unless the costs that constitute the assessment or lien have been adopted by the elected officials of that governmental entity at a public hearing.